



Financial Statements

Central Eglinton Community Centre

December 31, 2009

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Grant Thornton

Auditors' Report

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To the Council of the Corporation of the
City of Toronto and the Board of Management for the
Central Eglinton Community Centre

We have audited the statement of financial position of the Board of Management for the Central Eglinton Community Centre as at December 31, 2009 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards, those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Centre derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donations, surplus, assets and liabilities.

In our opinion, except for the effect of adjustment, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Toronto, Ontario
March 3, 2010

Chartered Accountants
Licensed Public Accountants

**Board of Management for the
Central Eglinton Community Centre
Statement of Financial Position**

December 31 2009 2008

Assets

Current

Cash and short term investments (Note 3)	\$ 307,708	\$ 298,927
Receivables - City of Toronto	27,095	25,432
- Other	<u>3,105</u>	<u>3,084</u>
	337,908	327,443

Long term

Receivable - City of Toronto (Note 4)	<u>153,246</u>	<u>150,419</u>
	\$ 491,154	\$ 477,862

Liabilities

Current

Payables and accruals - City of Toronto	\$ 17,423	\$ 24,962
- Other	<u>93,710</u>	<u>81,934</u>
Deferred revenue	<u>11,860</u>	<u>13,346</u>
	122,993	120,242


Long term

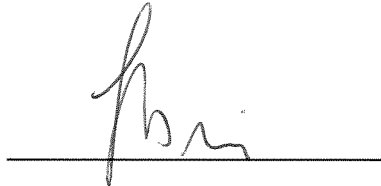
Employee benefits payable (Note 4)	<u>153,246</u>	<u>150,419</u>
	276,239	270,661

Net Assets

Program funds - Internally restricted	\$ 42,175	42,175
- Unrestricted	<u>172,740</u>	<u>165,026</u>
	214,915	207,201
	\$ 491,154	\$ 477,862

Approved on behalf of the Board of Management

 Chair

 Treasurer

See accompanying notes to the financial statements.

**Board of Management for the
Central Eglinton Community Centre
Statement of Changes in Net Assets**

Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Restricted</u>	Total 2009	Total <u>2008</u>
Net assets, beginning of year	\$ 165,026	\$ 42,175	\$ 207,201	\$ 168,978
Surplus	<u>7,714</u>	<u>-</u>	<u>7,714</u>	<u>38,223</u>
Net assets, end of year	\$ <u>172,740</u>	\$ <u>42,175</u>	\$ <u>214,915</u>	\$ <u>207,201</u>

See accompanying notes to the financial statements.

Board of Management for the Central Eglinton Community Centre

Statement of Operations

Year Ended December 31, 2009

	<u>2009</u>	<u>2008</u>
	<u>Actual</u>	<u>Actual</u>
Parent/Child program revenue		
Grants		
Government of Canada	\$ 1,995	\$ 2,297
City of Toronto	<u>24,952</u>	<u>24,452</u>
	26,947	26,749
Program and membership fees	63,770	71,756
Membership fees	12,800	12,139
Fundraising	<u>438</u>	<u>140</u>
	<u>103,955</u>	<u>110,784</u>
Program expenditures		
Salaries and wages	78,790	74,272
Employee benefits	17,310	14,087
Materials and supplies	3,735	3,518
Purchase of services	<u>9,141</u>	<u>9,973</u>
	<u>108,976</u>	<u>101,850</u>
Surplus (deficiency) - Parent/Child program	<u>(5,021)</u>	<u>8,934</u>
Other program revenue		
Grants		
Government of Canada	5,985	4,594
Province of Ontario	2,906	3,000
Province of Ontario - EPC	19,052	-
City of Toronto	<u>31,882</u>	<u>31,257</u>
	59,825	38,851
Fundraising and donations	36,003	40,208
Program and membership fees	94,073	97,870
Membership fees	6,740	7,100
Rental fees	1,270	1,400
Other	<u>3,764</u>	<u>5,955</u>
	<u>201,675</u>	<u>191,384</u>
Program expenditures		
Salaries and wages	117,769	86,821
Employee benefits	15,859	11,639
Materials and supplies	21,927	32,196
Purchase of services	<u>33,385</u>	<u>31,439</u>
	<u>188,940</u>	<u>162,095</u>
Surplus - other program	<u>12,735</u>	<u>29,289</u>
Administration expenditures		
Salaries and wages	409,539	398,826
Employee benefits	101,379	106,946
Materials and supplies	25,759	29,916
Purchase of services	<u>43,619</u>	<u>34,206</u>
	<u>580,296</u>	<u>569,894</u>
Funds provided by City of Toronto		
Administration (Note 6)	<u>580,296</u>	<u>569,894</u>
Surplus	\$ <u>7,714</u>	\$ <u>38,223</u>

See accompanying notes to the financial statements.

**Board of Management for the
Central Eglinton Community Centre
Statement of Cash Flows**

Year Ended December 31	2009	2008
Increase (decrease) in cash and short term investments		
Operating activities		
Program surplus	\$ 7,714	\$ 38,223
Increase (decrease) resulting in changes in:		
Receivable - City of Toronto	(1,663)	(7,783)
- Other	(22)	1,523
Payables - City of Toronto	(7,538)	(779)
- Other	11,776	12,661
Long term account receivable - City of Toronto	(2,827)	(33,538)
Deferred revenue	(1,486)	(1,215)
Long term employee benefits payable	<u>(2,827)</u>	<u>20,252</u>
	<u>8,605</u>	<u>29,344</u>
Net increase in cash and short term investments	8,781	29,344
Cash and short term investments, beginning of year	<u>298,927</u>	<u>269,583</u>
Cash and short term investments, end of year	\$ <u>307,708</u>	\$ <u>298,927</u>

See accompanying notes to the financial statements.

Board of Management for the Central Eglinton Community Centre Notes to the Financial Statements

December 31, 2009

1. Establishment and operations

The City of Toronto Act, 1997 continued the provisions of By-law No. 1995 - 0448 dated June 26, 1995 to reflect Chapter 25 of the City of Toronto Municipal Code. Chapter 25 amended all previous By-laws and established part of the premises at 160 Eglinton Avenue East, Toronto, as a community recreation centre under the authority of the Municipal Act, known as Central Eglinton Community Centre (the "Centre").

The Municipal Code provides for a Council appointed Board which, among other matters, shall:

- (a) endeavour to manage and control the premises in a reasonable and efficient manner, in accordance with standard good business practices, and
- (b) pay to the City of Toronto (the "City") any excess of administration expenditure funds provided by the City in accordance with its approved annual budget, but may retain any surplus from program activities.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the accounting policies summarized below:

Revenue recognition

The Centre follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital assets. Externally restricted contributions for capital assets that have not been expended are recorded as part of deferred capital contribution on the balance sheet.

Capital assets

Purchased capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Computers	- 3 years straight-line
Furniture and equipment	- 5 years straight-line

**Board of Management for the
Central Eglinton Community Centre
Notes to the Financial Statements**

December 31, 2009

2. Significant accounting policies (continued)

Contributed material and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Use of estimates

The preparing of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. For example, the employee benefits liabilities and related costs charged to the statement of revenue and expenditures depend on certain actuarial and economic assumptions. Estimates and assumptions are based on the Centre's best information and judgment and may differ significantly from actual results.

Employee related costs

The Centre has adopted the following policies with respect to employee benefit plans:

- (a) the Centre's contributions to a multi-employer, defined benefit pension plan are expensed when contributions are made; and
- (b) the costs of other employee benefits are determined by an independent actuary using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation and expected health care costs.

3. Cash and short term investments

Cash and short term investments include \$42,175 (2008 - \$42,175) specifically reserved for expenditures relating to the 50+ Program only.

Board of Management for the Central Eglinton Community Centre

Notes to the Financial Statements

December 31, 2009

4. Employee benefits

The Centre participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits to its employees. Under the sick leave plan for management staff with ten years of service as of July 1, 2008, unused sick leave accumulates and eligible employees are entitled to a cash payment when they leave the Centre's employment. The liability for these accumulated days represents the extent to which they have vested and could be taken in cash by the employee upon termination, retirement or death. The Centre also provides health, dental, accidental death and disability, life insurance and long term disability benefits to eligible employees. Depending upon length of service and an individual's election, management retirees are covered either by the former City of Toronto retirement benefit plan or by the current retirement benefit plan.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed in 2009. The actuarial valuation has resulted in an actuarial loss in 2002 of \$6,600, in 2006 a gain of \$79,765, and a loss in 2009 of \$46,947 which are being amortized on a straight-line basis over 15 years, 12.8 years and 16 years respectively, being the expected average remaining service life of the employees. The City has acknowledged inaccuracies in the information it provided to calculate long-term benefits for some individuals, and has stated an intention to correct this in 2010. Therefore, the Board of Management cannot comment on the figures related to long-term benefits.

Information about the Centre's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	<u>2009</u>	<u>2008</u>
Sick leave benefit plan	\$ 56,833	\$ 60,055
Income benefits	-	17,038
Continuation of benefits to disabled employees	-	5,649
Post-retirement benefits	<u>82,875</u>	<u>4,339</u>
	<u>139,708</u>	87,081
Add: Unamortized actuarial gain	<u>13,536</u>	<u>63,338</u>
Employee benefit liability	\$ <u>153,246</u>	\$ <u>150,419</u>

The continuity of the accrued benefit obligation during 2009 is as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 150,419	\$ 130,167
Current service cost	971	22,322
Interest cost	4,709	4,090
Amortization of actuarial (gain)	(2,853)	(4,771)
Expected benefits paid	<u>-</u>	<u>(1,389)</u>
Balance, end of year	\$ <u>153,246</u>	\$ <u>150,419</u>

Board of Management for the Central Eglinton Community Centre Notes to the Financial Statements

December 31, 2009

4. Employee benefits (continued)

Expenditures in 2009 relating to employee benefits amounting to \$2,827 (2008 - \$21,641) are included in administrative employee benefit expenses on the Statement of Revenue and Expenditure and include the following components:

	<u>2009</u>	<u>2008</u>
Current service cost	\$ 971	\$ 22,322
Interest cost	4,709	4,090
Amortization of actuarial (gain)	<u>(2,853)</u>	<u>(4,771)</u>
Total expenditures related to post-retirement and post-employment benefits	<u>\$ 2,827</u>	<u>\$ 21,641</u>

A long term receivable of \$153,246 (2008 - \$150,419) has resulted from recording sick leave and post retirement benefits for management staff. Funding for these costs are provided by the City as benefit costs are paid and the City is responsible for the City approved management staff benefit liabilities that may be incurred by the Centre.

The Centre also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of management and union employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employee based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$35,343 in 2009 (2008 - \$33,596).

5. Lease Commitments

The Centre has entered into agreements to lease office equipment which expire in 2014. Minimum amounts payable for the office equipment, in aggregate for each of the next four years are as follows:

2010	\$ 11,587
2011	11,587
2012	9,476
2013	9,285
2014	289

**Board of Management for the
Central Eglinton Community Centre
Notes to the Financial Statements**

December 31, 2009

6. Funds provided by the City of Toronto - administration

Funding for administration expense is provided by the City according to Council approved budgets. Surplus amounts in administration are payable to the City. Deficits are normally funded by the City after approval has been obtained.

	<u>2009</u>	<u>2008</u>
Budgeted administration expenditure:		
Centre's approved budget for administration expense was:		
Interim administration budget	\$ 577,478	\$ 561,600
Retroactive management salary and benefits		-
Retroactive COTAPSAI		512
	<u>577,478</u>	<u>562,112</u>
Actual administration expenditure:		
Centre's actual administration expense was	580,296	569,894
Deduct: Post retirement benefits, not funded by the City until paid, that are included in long term accounts receivable - City of Toronto	<u>(2,827)</u>	<u>(20,252)</u>
	<u>580,296</u>	<u>549,642</u>
Administration expenditure under approved budget	\$ <u>9</u>	\$ <u>12,470</u>

A credit for the under expenditure of \$9 is included (2008 - \$12,470) in the accounts payable to the City of Toronto.

7. Financial instruments

Fair value of financial instruments

The estimated fair values of cash, investments, accounts receivable, accounts payable and amounts due to/from City of Toronto approximate carrying value due to the relatively short term nature of the instruments.

8. Comparative figures

Certain of the prior year figures have been reclassified to conform with the current year's presentation.